



STRENGTHENING SOCIAL SECURITY: WHAT THEY'RE SAYING

U.S. Rep. John Hostettler (IN) – Personal Accounts 'Are The Answer': "Hostettler said he believes personal retirement accounts done on a volunteer basis, using a mix of bonds and stocks are the answer. A person earning \$35,000 a year could save more than \$250,000 by retirement, Hostettler said after telling the nearly three dozen who attended the meeting that 'there has never been a 20-year period when a loss in the market has occurred.' He said that doing nothing is to court disaster." (Patricia Pastore, "Hostettler Likens Social Security Problems To Approaching Tsunami" *Tribune Star*, 7/26/05) [Read the Article.](#)

National Economic Council Director Al Hubbard – Problem Grows \$600 Billion A Year Without Reform: "(T)he President has made it very clear this is an \$11 trillion problem growing by \$600 billion every year. The President wants reform passed for permanent solvency and voluntary personal retirement accounts. Obviously it has not gone as quickly as we would have hoped but that has not in anyway robbed the President of his commitment to making this happen. His enthusiasm is his passion because he believes this is important for the American people." (CNBC's "Squawk Box," 7/25/05)

U.S. Treasurer Anna Cabral – Progressive Benefit Growth Provides Help For Those Most in Need: "The President has also called for reforms that will create progressive benefit growth to help ensure solvency while strengthening benefits for those most in need. Under the President's proposal, low- and middle-income workers would receive greater benefits that increase faster than the rate of inflation. Higher earning individuals would receive benefits that grow no faster than the rate of inflation. This would provide greater benefits for those who need them most. For instance, a low-income 20-year-old who retires in 2050 would receive annual benefits of \$12,900, or \$3,500 more than the current system can pay. A middle income worker would receive \$17,300, or \$1,800 more than the current system can pay. Adjusting how benefits are calculated would eliminate approximately 70 percent of Social Security's shortfalls." (Anna Esobedo Cabral, American Numismatic Association – World's Fair Of Money Show, San Francisco, CA, 7/27/05) [Read the Speech.](#)

Life Cycle and Conservatively Diversified Funds Protect Personal Accounts: "Bush's plan for personal accounts doesn't envision letting Americans gamble their Social Security money on, say, biotech stocks. Workers could only invest in a small selection of conservatively diversified funds, like those available to federal workers under the Thrift Savings Plan. A full 20 years before a worker retires, his personal account would automatically start to shift into ever-less-risky investments-from a larger percentage of high-quality stocks into a larger percentage of high-quality government bonds, for example, as each year passes-to protect him from market volatility as he approaches retirement. These sophisticated financial instruments-called "life-cycle funds"-tailored at low cost to fit the needs of masses of middle-income workers, just weren't available 30 years ago. But they are now, and it's foolish not to take advantage of advances in information and financial technology to ease our collective Social Security burden without forcing undue risk onto individual workers and retirees." (Nicole Gelinas, "A Feasible Fix for Social Security", *City Journal*, Summer 2005) [Read the Column.](#)

Treasury Secretary John Snow – President Presses Forward To Strengthen Social Security: "The president has defined the problem. We've gone all over the country tirelessly talking about it and he's laid out some ideas on how to fix it and importantly he said to others 'Come forward with your ideas if you don't like my ideas.' Now unfortunately, we've had a deafening silence from the other side, no response to speak of. And this is an issue of such far-reaching importance; it needs to be done in a bi-partisan way." (Secretary John Snow, Interview With Paul W. Smith, WJR-AM, 7/25/05)

U.S. Sen. John Sununu (NH) – Personal Retirement Accounts Provide Retirement Options: "Strengthening Social Security through personal accounts will provide all with the opportunity to choose a retirement option, own it, and pass it on when they die. I am hopeful that the Senate Finance Committee will move these options toward reality when it takes up Social Security reform again this fall." (U.S. Sen. John Sununu, Youth Social Security Roundtable, Washington, D.C., 7/26/05) [Read the Release.](#) [View the Roundtable.](#)